

**BOARD BILL # 153**

**INTRODUCED BY ALDERMAN MATT VILLA**

AN ORDINANCE DESIGNATING A PORTION OF THE CITY OF ST. LOUIS, MISSOURI AS A REDEVELOPMENT AREA KNOWN AS THE SOUTH CARONDELET DISTRICT #3 REDEVELOPMENT AREA PURSUANT TO THE REAL PROPERTY TAX INCREMENT ALLOCATION REDEVELOPMENT ACT; APPROVING A REDEVELOPMENT PLAN AND A REDEVELOPMENT PROJECT WITH RESPECT THERETO; ADOPTING TAX INCREMENT FINANCING WITHIN THE REDEVELOPMENT AREA; MAKING FINDINGS WITH RESPECT THERETO; ESTABLISHING THE SOUTH CARONDELET DISTRICT #3 SPECIAL ALLOCATION FUND; AUTHORIZING CERTAIN ACTIONS BY CITY OFFICIALS; AND CONTAINING A SEVERABILITY CLAUSE.

**WHEREAS**, the City of St. Louis, Missouri (the “City”), is a body corporate and a political subdivision of the State of Missouri, duly created, organized and existing under and by virtue of its charter, the Constitution and laws of the State of Missouri; and

**WHEREAS**, on December 20, 1991, pursuant to Ordinance No. 62477, the Board of Aldermen of the City created the Tax Increment Financing Commission of the City of St. Louis, Missouri (the “TIF Commission”); and

**WHEREAS**, the TIF Commission is duly constituted according to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri (2000), as amended (the “TIF Act”), and is authorized to hold public hearings with respect to proposed redevelopment areas and redevelopment plans and to make recommendations thereon to the City; and

**WHEREAS**, staff and consultants of the City and Steins Broadway, Inc., a related entity to Carondelet TIF, Inc., a Missouri corporation (the “Developer”), prepared a plan for

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1 redevelopment titled “South Carondelet District #3 Redevelopment Plan” dated April 18,  
2 2008, and amendments, if any, and as may be amended from time to time (the  
3 “Redevelopment Plan”), for an area consisting of a portion of twenty-nine (29) tax  
4 parcels primarily located in a four (4) block area generally bounded by Pennsylvania,  
5 Steins, Water and Courtois, (the “Redevelopment Area” or “Area”), which  
6 Redevelopment Area is more fully described in the Redevelopment Plan, attached hereto  
7 and incorporated herein as **Appendix A**; and

8         **WHEREAS**, the Redevelopment Plan proposes to redevelop the existing  
9 structures for nine (9) residential units and approximately 18,000 square feet of  
10 office/retail space as well as constructing approximately 125 new residential units, as set  
11 forth in the Redevelopment Plan (the “Redevelopment Project,” or “TIF Project”); and

12         **WHEREAS**, on June 4, 2008, after all proper notice was given, the TIF  
13 Commission held a public hearing in conformance with the TIF Act and received  
14 comments from all interested persons and taxing districts relative to the Redevelopment  
15 Area, the Redevelopment Plan, and the Redevelopment Project; and

16         **WHEREAS**, on June 4, 2008, the TIF Commission found that completion of the  
17 Redevelopment Project would provide a substantial and significant public benefit through  
18 the elimination of blighting conditions, the strengthening of the employment and  
19 economic base of the City, increased property values and tax revenues, stabilization of  
20 the Redevelopment Area, facilitation of the economic stability of the City as a whole, and  
21 further found that without the assistance of tax increment financing in accordance with  
22 the TIF Act, the Redevelopment Project is not financially feasible and would not  
23 otherwise be completed; and

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1           **WHEREAS**, on June 4, 2008, the TIF Commission voted to recommend that the  
2 Board of Aldermen adopt an ordinance in the form required by the Act (i) adopting tax  
3 increment financing within the Redevelopment Area, (ii) approving the Redevelopment  
4 Plan, (iii) approving and designating the Redevelopment Area as a “redevelopment area”  
5 as provided in the Act, (iv) approving the Redevelopment Project as described within the  
6 Redevelopment Plan, and (v) approving the issuance of one or more tax increment  
7 financing revenue notes in the amount as specified in the Redevelopment Plan; and

8           **WHEREAS**, the Developer has demonstrated that the Redevelopment Project  
9 would not reasonably be anticipated to be developed without the adoption of tax  
10 increment financing and, therefore, redevelopment of the Redevelopment Area in  
11 accordance with the Redevelopment Plan is not feasible and would not otherwise be  
12 completed; and

13           **WHEREAS**, the Board of Aldermen has received the recommendations of the  
14 TIF Commission regarding the Redevelopment Area and the Redevelopment Plan and  
15 finds that it is desirable and in the best interests of the City to designate the  
16 Redevelopment Area as a “redevelopment area” as provided in the TIF Act, adopt the  
17 Redevelopment Plan and Redevelopment Project in order to encourage and facilitate the  
18 redevelopment of the Redevelopment Area; and

19           **WHEREAS**, the Redevelopment Area qualifies for the use of tax increment  
20 financing to alleviate the conditions that qualify it as a “blighted area” as provided in the  
21 TIF Act and as set forth herein; and

1       **WHEREAS**, the property constituting the Redevelopment Area is vacant and  
2 undeveloped, thus discouraging investment and encouraging crime and vagrancy, and the  
3 Redevelopment Area represents a social and economic liability to the City, and

4       **WHEREAS**, it is necessary and desirable and in the best interest of the City to  
5 approve the Redevelopment Project to allow the rehabilitation of the buildings and new  
6 construction in the Redevelopment Area; and

7       **WHEREAS**, it is necessary and desirable and in the best interest of the City to  
8 adopt tax increment allocation financing within the Redevelopment Area and to establish  
9 a special allocation fund for the Redevelopment Area in order to provide for the  
10 promotion of the general welfare through redevelopment of the Redevelopment Area in  
11 accordance with the Redevelopment Plan which redevelopment includes, but is not  
12 limited to, assistance in the physical, economic, and social development of the City of St.  
13 Louis, providing for a stabilized population and plan for the optimal growth of the City of  
14 St. Louis, encouragement of a sense of community identity, safety and civic pride, and  
15 the elimination of impediments to land disposition and development in the City of St.  
16 Louis.

17       **BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:**

18       **SECTION ONE.**     The Board of Aldermen hereby makes the following  
19 findings:

20       A.     The Redevelopment Area on the whole is a “blighted area”, as defined in  
21 Section 99.805 of the TIF Act, and has not been subject to growth and development  
22 through investment by private enterprise and would not reasonably be anticipated to be  
23 developed without the adoption of tax increment financing. This finding includes, the

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1   Redevelopment Plan sets forth, and the Board of Aldermen hereby finds and adopts by  
2   reference: (i) a detailed description of the factors that qualify the Redevelopment Area as  
3   a “blighted area” and (ii) an affidavit, signed by the related entity to the Developer and  
4   submitted with the Redevelopment Plan, attesting that the provisions of Section  
5   99.810.1(1) of the TIF Act have been met, which description and affidavit are  
6   incorporated herein as if set forth herein.

7           B.     The Redevelopment Plan conforms to the comprehensive plan for the  
8   development of the City as a whole.

9           C.     In accordance with the TIF Act, the Redevelopment Plan states the  
10   estimated dates of completion of the Redevelopment Project and retirement of the  
11   financial obligations issued to pay for certain redevelopment project costs and these dates  
12   are twenty three (23) years or less from the date of approval of the Redevelopment  
13   Project.

14          D.     A plan has been developed for relocation assistance for businesses and  
15   residences as set forth in Ordinance No. 62481 adopted December 20, 1991.

16          E.     A cost-benefit analysis showing the economic impact of the  
17   Redevelopment Plan on each taxing district which is at least partially within the  
18   boundaries of the Redevelopment Area is on file with the St. Louis Development  
19   Corporation, which cost-benefit analysis shows the impact on the economy if the  
20   Redevelopment Project is not built, and if the Redevelopment Project is built pursuant to  
21   the Redevelopment Plan.

1           F.       Redevelopment of the Redevelopment Area in accordance with the  
2 Redevelopment Plan is not financially feasible without the assistance of tax increment  
3 financing and would not otherwise be completed.

4           G.       The Redevelopment Plan does not include the initial development or  
5 redevelopment of any “gambling establishment” as that term is defined in Section  
6 99.805(6) of the TIF Act.

7           H.       The Redevelopment Area includes only those parcels of real property and  
8 improvements thereon directly and substantially benefited by the proposed  
9 Redevelopment Project.

10          **SECTION TWO.** The Redevelopment Area described in the Redevelopment  
11 Plan is hereby designated as a “redevelopment area” as defined in Section 99.805(11) of  
12 the TIF Act.

13          **SECTION THREE.** The Redevelopment Plan as reviewed and recommended by  
14 the TIF Commission on June 4, 2008, including amendments thereto, if any, and the  
15 Redevelopment Project described in the Redevelopment Plan are hereby adopted and  
16 approved. A copy of the Redevelopment Plan is attached hereto as **Exhibit A** and  
17 incorporated herein by reference.

18          **SECTION FOUR.** There is hereby created and ordered to be established within  
19 the treasury of the City a separate fund to be known as the “South Carondelet District #3  
20 Special Allocation Fund.” To the extent permitted by law and except as otherwise  
21 provided in the Redevelopment Plan, the City hereby pledges funds in the South  
22 Carondelet District #3 Special Allocation Fund for the payment of redevelopment project  
23 costs and obligations incurred in the payment thereof.

1           **SECTION FIVE.** Tax increment allocation financing is hereby adopted within  
2 the Redevelopment Area. After the total equalized assessed valuation of the taxable real  
3 property in the Redevelopment Area exceeds the certified total initial equalized assessed  
4 valuation of the taxable real property in the Redevelopment Area, the ad valorem taxes,  
5 and payments in lieu of taxes, if any, arising from the levies upon taxable real property in  
6 the Redevelopment Area by taxing districts and tax rates determined in the manner  
7 provided in Section 99.855.2 of the TIF Act each year after the effective date of this  
8 Ordinance until redevelopment costs have been paid shall be divided as follows:

9           A.     That portion of taxes, penalties and interest levied upon each taxable lot,  
10 block, tract, or parcel of real property which is attributable to the initial equalized  
11 assessed value of each such taxable lot, block, tract, or parcel of real property in the area  
12 selected for the Redevelopment Project shall be allocated to and, when collected, shall be  
13 paid by the City Collector to the respective affected taxing districts in the manner  
14 required by law in the absence of the adoption of tax increment allocation financing;

15           B.     Payments in lieu of taxes attributable to the increase in the current  
16 equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in  
17 the area selected for the Redevelopment Project and any applicable penalty and interest  
18 over and above the initial equalized assessed value of each such unit of property in the  
19 area selected for the Redevelopment Project shall be allocated to and, when collected,  
20 shall be paid to the City Treasurer, who shall deposit such payments in lieu of taxes into  
21 the South Carondelet District #3 Special Allocation Fund for the purpose of paying  
22 redevelopment costs and obligations incurred in the payment thereof. Payments in lieu of  
23 taxes which are due and owing shall constitute a lien against the real estate of the

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1   Redevelopment Project from which they are derived and shall be collected in the same  
2   manner as the real property tax, including the assessment of penalties and interest where  
3   applicable.

4           **SECTION SIX.** In addition to the payments in lieu of taxes described in Section  
5   Five of this Ordinance, fifty percent (50%) of the total additional revenue from taxes,  
6   penalties and interest which are imposed by the City or other taxing districts, and which  
7   are generated by economic activities within the area of the Redevelopment Project over  
8   the amount of such taxes generated by economic activities within the area of the  
9   Redevelopment Project in the calendar year prior to the adoption of the Redevelopment  
10   Project by ordinance, while tax increment financing remains in effect, but excluding  
11   personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by  
12   transient guests of hotels and motels, taxes levied pursuant to Section 70.500 of the  
13   Revised Statutes of Missouri (2000) as amended, or taxes levied for the purpose of public  
14   transportation pursuant to Section 94.660 of the Revised Statutes of Missouri (2000) as  
15   amended, licenses, fees or special assessments other than payments in lieu of taxes and  
16   penalties and interest thereon, shall be allocated to, and paid by the collecting officer to  
17   the City Treasurer or other designated financial officer of the City, who shall deposit such  
18   funds in a separate segregated account within the South Carondelet District #3 Special  
19   Allocation Fund.

20           **SECTION SEVEN.** The Comptroller of the City is hereby authorized to enter  
21   into agreements or contracts with other taxing districts as is necessary to ensure the  
22   allocation and collection of the taxes and payments in lieu of taxes described in Sections  
23   Five and Six of this Ordinance and the deposit of the said taxes or payments in lieu of

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1 taxes into the South Carondelet District #3 Special Allocation Fund for the payment of  
2 redevelopment project costs and obligations incurred in the payment thereof, all in  
3 accordance with the TIF Act.

4       **SECTION EIGHT.** The City Register is hereby directed to submit a certified  
5 copy of this Ordinance to the City Assessor, who is directed to determine the total  
6 equalized assessed value of all taxable real property within the Redevelopment Area as of  
7 the date of this Ordinance, by adding together the most recently ascertained equalized  
8 assessed value of each taxable lot, block, tract or parcel of real property within the  
9 Redevelopment Area, and shall certify such amount as the total initial equalized assessed  
10 value of the taxable real property within the Redevelopment Area.

11       **SECTION NINE.** The Mayor and Comptroller of the City or their designated  
12 representatives are hereby authorized and directed to take any and all actions as may be  
13 necessary and appropriate in order to carry out the matters herein authorized, with no  
14 such further action of the Board of Aldermen necessary to authorize such action by the  
15 Mayor and the Comptroller or their designated representatives.

16       **SECTION TEN.** The Mayor and the Comptroller or their designated  
17 representatives, with the advice and concurrence of the City Counselor and after approval  
18 by the Board of Estimate and Apportionment, are hereby further authorized and directed  
19 to make any changes to the documents, agreements and instruments approved and  
20 authorized by this Ordinance as may be consistent with the intent of this Ordinance and  
21 necessary and appropriate in order to carry out the matters herein authorized, with no  
22 such further action of the Board of Aldermen necessary to authorize such changes by the  
23 Mayor and the Comptroller or their designated representatives.

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1           **SECTION ELEVEN.** It is hereby declared to be the intention of the Board of  
2 Aldermen that each and every part, section and subsection of this Ordinance shall be  
3 separate and severable from each and every other part, section and subsection hereof and  
4 that the Board of Aldermen intends to adopt each said part, section and subsection  
5 separately and independently of any other part, section and subsection. In the event that  
6 any part, section or subsection of this Ordinance shall be determined to be or to have  
7 been unlawful or unconstitutional, the remaining parts, sections and subsections shall be  
8 and remain in full force and effect, unless the court making such finding shall determine  
9 that the valid portions standing alone are incomplete and are incapable of being executed  
10 in accord with the legislative intent.

11           **SECTION TWELVE.** After adoption of this Ordinance by the Board of  
12 Aldermen, this Ordinance shall become effective on the 30th day after its approval by the  
13 Mayor or adoption over his veto; *provided that* if, within ninety (90) days after the  
14 effective date of an ordinance authorizing the City to enter into a redevelopment  
15 agreement pertaining to the Redevelopment Project, the Developer or its affiliate or  
16 designee, has not (i) executed such redevelopment agreement and (ii) paid all fees due to  
17 the City in accordance with the terms of the redevelopment agreement, the provisions of  
18 this Ordinance shall be deemed null and void and of no effect and all rights conferred by  
19 this Ordinance on Developer, shall terminate, *provided further*, however, that prior to any  
20 such termination the Developer may seek an extension of time in which to execute the  
21 Redevelopment Agreement, which extension may be granted in the sole discretion of the  
22 Board of Estimate and Apportionment of the City of St. Louis.

**EXHIBIT A**

**SOUTH CARONDELET DISTRICT #3 TIF REDEVELOPMENT PLAN**